

**MINUTES**  
**Michigan State Transportation Commission Workshop Meeting**  
**June 25, 2003**  
**Houghton, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman  
Lowell Jackson, Commissioner  
John Garside, Commissioner  
C. Robert Baillod, Commissioner

Also Present: Gloria J. Jeff, Director  
Pat Isom, Assistant Attorney General  
Susan Mortel, Bureau of Transportation Planning  
Jerry Jones, Commission Auditor  
John Friend, Bureau of Highway Delivery  
Kirk Steudle, Chief Deputy Director  
Sharon Edgar, Passenger Transportation  
Leon Hank, Chief Administrative Officer  
Larry Tibbits, Chief Operations Officer  
Myron Frierson, Bureau of Finance and Administration

Excused: Betty Jean Awrey, Vice Chairwoman  
Robert Bender, Commissioner

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 4:13 p.m. in the Best Western Franklin Square Inn Conference Room in Houghton, Michigan.

Chairman Wahby stated that the Five-Year Road and Bridge Plan would be discussed. He asked if there were any public comments. There were none.

Director Gloria Jeff presented her report on the Five Year Plan. At the last commission meeting, we discussed the 5 year plan-1.2 billion a year capital program. Preserve First project with the system not in good condition and having less money. Our Revenue assumptions from State and Federal, our Bonding Capacity and Deferrals.

Commissioners voiced concerns regarding:  
Proper balance preservation/expansion, and an interest in our stakeholder views.

We were asked to talk to our stakeholders, re-evaluate the program balance of preservation vs. capacity increases, our bonding assumptions and re-evaluate our preservation goal.

Eleven public listening sessions were conducted during a two week period in every MDOT region. Attended by approx. 300 individuals, including, county road commissioners, city and village officials, MPOs, State Legislatures, approximately 100 written responses were received. We heard the following: Approximately half of those commenting favored Preserve First. Of those favoring capacity increases, most had a special project in mind. Freeway and bridge projects were mentioned frequently, Preservation and Basic Mobility were the two goals most cited.

A discussion was held with the MPO's regarding the criteria for "Un-deferring" projects with major impacts to regions considering Freeways/Urban interchanges, Safety and Projects that have local contributions.

In order to re-evaluate the program balance, additional bonding for capacity increases, less preservation, extension of the time to achieve current preservation goal and lowering of the goal will have to take place.

Can we increase our bonding capacity? Can we lower the goal?.

Revenue estimates - from the Bush administration indicate a 3.2% annual growth in federal aid opposed to the September 2002 projection of 2.2%. As a result we can still be fiscally responsible and increase our bonding , debt coverage is still acceptable.

Our finance people have done a great job.

Charts were distributed displaying our debt service coverage ratio, and current repayment schedule of Garvee and State Trunkline fund debt service. Net result - we have the ability to do an additional 2.5 in bonding.

Recommendations are as follows:

- Approve the 5 Year program with the following changes:
- Change the balance of the program to reflect the revised investment strategy.
- We will bond to allow an additional 200 million to be added to the program.
- Work with the Governor and MPO's to identify projects. Inform the Commission of the projects at the July Commission meeting.
- Begin the process of re-evaluating the preservation goal.

Comment/Questions from Commissioners followed.

Commissioner Baillod commented on issue of dedicated revenue and bonding companies and expressed appreciation to MDOT staff for their work on the 5 Year Plan.

Commissioner Jackson commented that - Eastern states, trust funds, NY/NJ gas tax monies end up with huge debt service - when revenues go down and questioned what happens to debt service in various scenarios . He stated that he believes that the financial problems will continue and restated his concerns that the 5 year plan is not financed.

He thanked Director Jeff and Staff for conducting listening sessions.

Chairman Wahby commented that it was key to focus on the 34 projects and appreciated the time and effort on this thought process. The bonding issue is very attractive.

He added that he was impressed with the sincerity of the Congressional delegation during the Washington trip that they would work to return needed dollars to Michigan. He thanked Director Jeff and staff for a well organized trip on behalf of Michigan.

Chairman Wahby commented on Congressman Petri's trip to Michigan for the purpose of rallying support for increases to Michigan he felt it was a very productive day and thanked MDOT staff.

Commissioner Garside extended his thanks for the hard work of MDOT staff on the 5 Year Plan.

Chairman Wahby asked if there were additional comments. There were none.

Chairman Wahby adjourned the meeting at 4:50 p.m.

---

Patricia A. Lockwood  
Commission Advisor